

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO. 1:14-CR-188
)	
CREDIT SUISSE AG,)	
)	
Defendant.)	

UNITED STATES' RESPONSE TO TIMOTHY L. BLIXSETH'S
MOTION TO BE HEARD AT SENTENCING

COMES NOW the United States of America, by and through undersigned counsel, and hereby files this Response to Timothy L. Blixseth's Motion to be Heard at Sentencing. Mr. Blixseth has asked the Court to be heard at the sentencing of Credit Suisse AG now scheduled for November 21, 2014 at 11:00 a.m. at U.S. District Court in Norfolk, Virginia. For the reasons stated below, the government does not believe that the Court is required to hear from Mr. Blixseth at the Credit Suisse AG sentencing.

Mr. Blixseth alleges that he has been harmed by a "lending scheme" into which Credit Suisse AG "lured" him. Motion ("Mot.") at 1. Mr. Blixseth further alleges that the lending scheme involved Master Planned Communities located in Ginn sur Mer in Grand Bahamas Island, Tamarack, Yellowstone Mountain Club and Lake Las Vegas. Mot. Attachment at 1. However, the sentencing in this matter involves Credit Suisse AG's plea of guilty to an information alleging that it participated in a conspiracy to willfully aid, assist in, procure, counsel, and advise the preparation and presentation of false income tax returns and other documents to the Internal Revenue Service of the Treasury Department, in violation of Title 26,

United States Code, Section 7206(2) and Title 18, United States Code, Section 371. (the “tax scheme”). *See* Docket Entry No. 1.

The Crime Victim Rights Act, Title 18 United States Code, Section 3771 (“CVRA”) specifies certain rights attributed to victims of crimes. Those rights include the “right to be reasonably heard at any public proceeding in the district court involving . . . sentencing.” CVRA, Section (a)(4). However, Mr. Blixseth is unable to establish that he is a victim of the tax scheme for which Credit Suisse AG is being sentenced on November 21, 2014. The CVRA provides a definition of the term “crime victim,” to include “a person directly and proximately harmed as a result of the commission of a Federal offense . . .” CVRA, Section 3771(e). Since Mr. Blixseth is unable to establish that he has been directly and proximately harmed as a result of Credit Suisse AG’s tax scheme, Mr. Blixseth is unable to establish himself as a crime victim under the CVRA. Accordingly, Mr. Blixseth is unable to establish a right to be heard at the sentencing in this matter. Moreover, Mr. Blixseth is unable to establish any relevance or connection to the tax scheme for which Credit Suisse AG entered its guilty plea in this matter and the allegations that Mr. Blixseth has set forth regarding the lending scheme. In that way, Mr. Blixseth has failed to establish the relevance of any statements made by him concerning the lending scheme at a sentencing of Credit Suisse AG for the tax scheme.

In light of the foregoing, the government submits that Mr. Blixseth has not established a right to be heard at the sentencing of Credit Suisse AG on November 21, 2014.

Respectfully submitted,

Dana J. Boente
United States Attorney
Eastern District of Virginia

By: /s/
Mark D. Lytle
Assistant U.S. Attorney

CERTIFICATE OF SERVICE

I hereby certify that on August 19, 2014, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the following:

Christopher A. Wray, Esq. (*Pro Hac Vice*)
Andrew C. Hruska, Esq. (*Pro Hac Vice*)
Michael R. Pauzé, Esq. (*Pro Hac Vice*)
Edmund P. Power, Esq. (VSB # 65841)
KING & SPALDING LLP
1700 Pennsylvania Avenue N.W.
Washington, D.C. 20006
Direct Dial: (202) 626-5570
Direct Fax: (202) 626-3737
cwrap@kslaw.com
ahruska@kslaw.com
mpauze@kslaw.com
epower@kslaw.com
Attorneys for Credit Suisse AG

I hereby certify that I will mail a copy of the foregoing by U.S. Mail to the following:

Mr. Timothy L. Blixseth
////////////////////
Medina, WA 98039

By: /s/
Mark D. Lytle
Assistant U.S. Attorney
U.S. Attorney's Office
Eastern District of Virginia
2100 Jamieson Ave.
Alexandria, VA 22314
Mark.lytle@usdoj.gov
Phone: 703-299-3768
Fax: 703-299-3981